

# Latest News for Medicare Advantage Plans

February 2014

Page 1 of 1

## Advance Call Letter Risk Adjustment Highlights

On 2/21, CMS released the Advance Notice of Methodological Changes for CY 2015 for Medicare Advantage Capitation Rates, Part C and Part D Payment Policies. Please note that risk adjustments are impacted. This document highlights the proposed salient items affecting risk adjustments.

- ◇ Inclusion of the MA-PD data in the model
- ◇ Renumbering of RxHCCs

### Blended Model Will Continue

The blended model that is in place for PY 2014 will be extended into PY 2015. To review, the risk scores are weighted using:



*Cognisight will refresh last year's forecasts using 2013 data for you. This will be completed in time for your bid development.*

### Other Model Changes

#### Medical HCCs

There does not appear to be any medical HCC model changes including relative factors/co-efficients.

#### Rx HCCs

There are some changes to the Rx HCC for both stand-alone PDPs and MA-PDs. Highlights include:

- ◇ Model changes to complement the proposed changes to the 2015 benefit structure
- ◇ Update to the data years used to calibrate the model
- ◇ Clinical updates to the hierarchical conditions
  - ◇ Decrease from 78 to 76 RxHCCs (net result of the addition of two new HCCs and the removal of 4 RxHCCs)

### Formula Factor Changes

Factor	Current	New	Impact
MA Coding Adjustment	-4.91%	-5.16%	Negative
Normalization			Positive
2013 (Model 12)	-1.041	-0.997	
2014 (Model 22)	-1.026	-0.998	
ESRD Dialysis	1.039	0.990	Positive
Functioning Graft	1.085	1.004	Positive

### Risk Adjustments from Prospective Assessments

Risk adjustments from prospective assessments will still be eligible, so long as each condition is documented in a subsequent encounter. CMS is considering a 60 day window for follow-up to the provider to confirm the diagnoses. CMS needs to ensure actual plan liability associated with the provision of treatment for the conditions obtained from a prospective assessment.

Operational solutions to accommodate this requirement are under review for clients who use this service.

It is important to note this new restriction does not conflict with or change the requirements to the SNP Models of Care.

### Comment Period

The comment period closes March 7, 2014 at 6:00 PM EST.

**C**ognisight, <sup>TM</sup>LLC is a leading health care solutions provider, specializing in risk adjustment services for Medicare Advantage, Medicaid Managed Care, PACE plans, and Issuers on and off the Health Insurance Exchange. Our mission is simple: capture the most accurate and complete information to help ensure our clients have the best information to care for their members.

As HCC risk adjustment experts, we enable our clients to improve the quality of health care they deliver while maximizing efficiency and assuring accurate revenue. Our continuum of comprehensive risk adjustment services include:

- Analytics
- Member Completed HRA's
- In-Home Prospective Assessments
- Retrospective/Concurrent Chart Reviews
- Risk Verification
- RADV Support
- Provider & Coder Training

## CONTACT US

**We're pleased to bring you this important insight.**

Should you have any questions about this information, please do not hesitate to call your Cognisight Account Manager or contact us at **877.271.1657** or **info@cognisight.com**.

Follow us on:

